

STATE OF ALABAMA FY2005 ESG ACTION PLAN

History

The Emergency Shelter Grant Program (ESG) was first enacted under Title V of the U. S. Department of Housing and Urban Development's appropriation act for the fiscal year 1987, and was fully established by the Stewart B. McKinney Homeless Assistance Act in 1988. This is a program that may provide assistance to all areas of the state. ESG funds are used to upgrade existing homeless facilities and domestic abuse shelters, to help meet the operating costs of such facilities, to provide essential services to these groups, and to help prevent homelessness.

Distribution of funds

The Emergency Shelter Grant (ESG) Program is administered by the Alabama Department of Economic Community Affairs (ADECA) and will be utilized to provide assistance to homeless persons and victims of domestic abuse as defined under the Stewart B. McKinney Homeless Assistance Act, as amended. The State expects to receive \$1,428,853 in FY2005 ESG funds and will allocate funds based on the quality of applications received from local governments, however no portion of these funds will be set aside for specific purposes. ESG dollars must be matched on a dollar for dollar basis by recipients. However, the State is incorporating into this Plan the option allowed by law and regulations to forgive up to \$100,000 in required match when circumstances of extreme need indicate this is appropriate. The State will consider the urgency, need and distress of the applicant when making such decisions.

THRESHOLDS

Applications will not be accepted based on the following items:

- The applicant owes the state or federal government money.
- Disallowed costs have resulted from an ADECA review or audit.
- The applicant has an open ESG grant from FY 2002 or an earlier year.
- The applicant's subrecipient lacks 501(c) (3) status.
- The application does not include executed certifications for the prohibition of the use of federal funds for lobbying and for compliance or assurance of compliance by the nonprofit organization.

Grant Ceilings

In order to address needs throughout the State, the Program will use the Grant Ceiling of \$200,000, although this may be waived by the Director in cases where exceptional need or unique circumstances exist. In the event that all funds are not awarded through the one time competitive application process, the State may

negotiate with applicants to utilize all current year funds as well as recaptured funds that are available to be reallocated by the State. Initiation of negotiations will be done by the State based on (1) demonstrated need, (2) prior performance, and (3) other available resources. Reallocations of recaptured ESG funds or unutilized FY2003 funds may be made at the direction of the ADECA Director based on the three factors listed above.

Eligible Activities

ESG funds may be used for the following activities allowed under the McKinney Homeless Assistance Act:

Conversion

A change in the use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs exceeds 75% of the value of the building after conversion. (If ESG funds are used for conversion, the facility must be used as shelter for the homeless for at least a ten-year period.)

Rehabilitation

Repair of a building for use as a homeless shelter including the cost of labor, materials, tools, and other costs of improving the buildings other than minor routine repairs.

1. **Major Rehabilitation**- Rehabilitation that costs in excess of 75 percent of the value of the building before rehabilitation. (Where ESG funds are used for this purpose, the building must be used as a homeless shelter for at least a ten-year period).
2. **Renovation**- Rehabilitation that involves costs of 75 percent or less of the value of the building before renovation. (Where ESG funds are used for this purpose, the building must be used as a shelter for at least a three-year period).

Value of the building means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee or the State recipient.

Operating Costs

Operating costs include the costs of maintenance, rent, security, fuel, equipment, insurance, utilities, food, and equipment for furnishings. No more than 10 percent of the grant amount may be used for the cost of staff.

Essential Services

Essential services are services concerned with employment, health, drug abuse counseling or prevention, education, child care, transportation, job placement/job training, and staff salaries necessary to provide the above mentioned services, as well as aid in acquiring other federal state and local assistance. (No more than 30% of the State grant may be used for this purpose.)

Homeless Prevention

Homeless prevention is activities or programs designed to prevent homelessness such as the use of short-term subsidies to defray rent and utilities arrearages for families who have received eviction or utility termination notices. Other activities include security deposits or first month's rent, mediation and/or legal services programs, payments to prevent foreclosure on a home and other innovative programs and activities designed to prevent the incidence of homelessness. (No more than 30% of the State grant may be used for this purpose).

Administration

Administration includes the activities necessary to administer the grant in compliance with program objectives and regulations. Eligible administrative costs include staff to operate the program, preparation of progress reports, audits, and monitoring of recipients.

Application Process

The deadline for applications to the State will be widely disseminated. Applicants are limited to local units of government. Applications will be received on a specific date and will be reviewed in a timely fashion. All applications must be received in the state office by close of business on the announced date.

Applications or parts of applications received or postmarked after that date will be returned. All applications must include original signatures. A memorandum of understanding between the unit of government and the subrecipient or proposed subrecipient must be submitted with the application. Incomplete applications will not be reviewed and rated. The State will provide more detailed application forms and information to local governments, persons and agencies that indicate an interest in applying for these funds. No activity (such as homeless prevention or rehabilitation) will have funds set aside specifically for that purpose. Funds will be awarded competitively based on the factors stated in the Action Plan.

All certifications, budgets, and resolutions must include original signatures of the local government's presiding official (Mayor or Chairman) and be dated. The certifications are listed below:

1. Certification for the prohibition of the use of federal funds for lobbying

2. Certification that the local entity will comply or assure compliance by the nonprofit organization to which it distributes funds under the Emergency Shelter Grants Program.

Rating System

A. Demonstrated Need of Homeless Persons 20 Points

Applicants will describe the needs of homeless persons for their service area and other eligible clientele such as abused spouses. They should use quantifiable data to the maximum extent possible, specific to their service area. However, given the nature of obtaining certain data, other reasonable data will be given credence as warranted.

B. Applicant's Strategy to Address Homeless Problems 25 Points

Applicants will describe their strategy for addressing homeless problems. They will also describe their system for monitoring and analyzing homeless needs (such as a point in time survey). They should also explain their strategy for targeting funds to the neediest persons, or to the geographic or functional areas where funds may have the greatest impact. They should also project persons to be served by services provided indicating subpopulation of individuals and families with children.

C. Timely and Effective Expenditure 15 Points

Current recipients will describe the impact being achieved by their current grants, to include clients served. Capacity points will include a determination as to whether accurate source documentation has been submitted and an ability to manage the project efficiently has been shown. Applicants will also indicate expenditure rates for current grants. Applicants that have not received funds before, should describe the system they will use to assure the timely and effective expenditure of ESG money since the swift provision of assistance to homeless persons is extremely important. They should also describe measures used to assure accountability. Up to fifteen points will be given to applicants never funded before in lieu of capacity points.

D. Participation in a Continuum of Care 10 Points

The applicant will demonstrate a thorough understanding of the "continuum of care" concept. This will include information concerning membership in an existing Continuum of Care Homeless Coalition. The applicant will explain their level of participation in a Continuum and detail the strategies of their particular continuum for serving the homeless.

E. Match 15 Points

Points will be given based on the clarity of proposed match. Match (in-kind or cash) must be explained as to how project becomes whole. Match must be verified to include resolutions and letters detailing sources of funds. If match

comes from the city or the county, then the source (general fund) of funds must be identified. Letters from banks or donors specifying items will be needed. Volunteer hours will need to be discussed in enough detail to establish validity and indicate the service area.

F. Budget

15 Points

The budget must consist of an explanation of activities involved with the request. Each budget category (Rehabilitation, Operations, Essential Services, Homeless Prevention and Administration) must give a detailed description of costs. The subrecipient(s) budget must be the aggregate for the total of the local unit of government's budget. Further, the aggregate budget must be signed by the local unit of government's chief elected official.

TOTAL POINTS AVAILABLE -

100

Tie Breaker

In the event of tie scores where funding is not available to all applicants, then the applicant that scores the highest in Sections B, C, and D combined will be considered to have the higher score. In those cases, where a tie still exists, the Director will make recommendations to the Governor.